

Underutilized Housing Tax

Start Here

Were you on title of a **residential property** on Dec. 31 of the calendar year?



You dont have to file or pay

UHT EXCLUDED OWNER CRITERIA

Are you any of the following:

- Canadian Citizen or permanent resident? (see p2)
- Registered charity?
- Publicly traded trust?
- Cooperative housing corporation?
- Corporation listed on a Canadian stock exchange?
- Public service bodies?



Do you have to pay?

You have to file a UHT return for each property

UHT PAYMENT EXEMPTION CRITERIA

Is the owner a "**specified Canadian corporation, partnership or trust**"?

For newly constructed property, was it substantially completed after March of the calendar year?

Is the property occupied as the primary place of residence by the owner, spouse or child (child purpose must be authorized study)?

Was it substantially completed prior to April of the calendar year, and met both the following two conditions during the calendar year.
 - Offered for sale to the public, and
 - Never been occupied by an individual as a place of residence or lodging

Was the property used as place of residence or lodging for at least 28 days during the year by the owner or their spouse or common law partner and is it located within a "**prescribed area**"?

Did the property have a **qualifying occupancy period(s)** totalling at least 180 days?

Was the property uninhabitable for at least 60 consecutive days because of a disaster or hazardous conditions beyond the reasonable control of the owner?

Is the property not suitable for year-round use as a residence?

Did the **owner** acquire the property in the year and not own the property in the prior nine years?

Was there a death of any owner of the property?
 AND
 If a single owner of the property, the owner died in the current or prior year?
 OR
 If multiple owners of the property, any individual owner with at least a 25% interest died in the current or prior year?

Is the property seasonally inaccessible due to public access not being maintained?



Owe \$0 but still have to file*

File and Pay by April 30th*

*Failure to do so may incur minimum penalties of **\$5,000 to \$10,000** per property

So HOW MUCH DO YOU OWE? Tax payable = 1% x **taxable value**

Bolded terms defined on p2

UNDERUTILIZED HOUSING TAX TERMS

EXCLUDED OWNER - A person who is on Dec. 31 of the calendar year:

- A Canadian citizen or permanent resident, unless an owner in their capacity as a trustee or partner
- A public corporation listed on a Canadian stock exchange
An owner in their capacity as a trustee of a mutual fund trust, real estate investment trust or a SIFT trust
- A registered charity
- A cooperative housing corporation, a hospital authority, a municipality, a public college, a school authority or a university
- An Indigenous governing body
- His Majesty in right of Canada or a province or an agent of His Majesty In right of Canada or a province
- A prescribed person

FAIR RENT - The amount determined in a prescribed manner, otherwise, 5 per cent of the taxable value in respect of the residential property

OWNER - A person identified under the land registration system or other similar system applicable, or that could reasonably be considered an owner under such a system, in respect of the property, includes various life interests and long-term lease arrangements (see definition in UHTA for details)

PERMANENT RESIDENT - See subsection 2(1) of the Immigration and Refugee Protection Act

PRESCRIBED AREA - An area not within a census metropolitan area or a census agglomeration with a total population of at least 30,000 or within a census metropolitan area. For CRA resource, [click here](#)

QUALIFYING OCCUPANCY PERIOD - A period of at least one month in a calendar year during which one of the following individuals (other than an excluded individual) has continuous occupancy of a dwelling unit that is part of the residential property:

- An individual who deals at arm's length with the owner (including spouse or common-law partner) and is given continuous occupancy under a written agreement and does not reside in another property for an equal or greater number of days than in the residence in question
- An individual who does not deal at arm's length with the owner (including spouse or common-law partner), and is given continuous occupancy of the dwelling unit under a written agreement for at least fair rent
- An individual who is the owner (or spouse or common-law partner), who is in Canada for the purpose of pursuing authorized work under a Canadian work permit and occupies for that purpose
- An individual who is a spouse, common-law partner, parent, or child of the owner and who is a Canadian citizen or permanent resident, or
- A prescribed person

RESIDENTIAL PROPERTY - Property situated in Canada that is:

- A detached house or similar building containing not more than three dwelling units used as a place of residence for individuals
- A part of a building that is a semi-detached house, rowhouse unit, residential condominium unit or other similar premises used as a place of residence for individuals
- a prescribed property

SPECIFIED CANADIAN CORPORATION - Incorporated or continued under the laws of Canada or a province other than a corporation that on Dec. 31:

a) Has the following persons with ownership or control, directly or indirectly, with shares representing 10 per cent or more of the votes or value:

- I. An Individual who is neither a Canadian citizen nor permanent resident, and/or
- II. A corporation that is incorporated or continued otherwise than under the laws of Canada, or

b) Is without share capital having:

- I. A chairperson or other presiding officer who is neither a citizen nor a permanent resident, or
- II. 10 per cent or more of its directors who are neither citizens nor permanent residents

c) A prescribed corporation

SPECIFIED CANADIAN PARTNERSHIP - A prescribed partnership or a partnership, each member of which is, on Dec. 31, an excluded owner or a Specified Canadian Corporation

SPECIFIED CANADIAN TRUST - A prescribed trust or a trust under which each beneficiary having a beneficial interest in the residential property is, on Dec. 31, an excluded owner or a Specified Canadian Corporation

TAXABLE VALUE - The greater of:

- The assessed value for property tax purposes, and
- The property's most recent sale price on or before Dec. 31
- Fair market value based on an appraisal

This is a paraphrase of UHT legislation. It is important to review the specific wording of the UHTA legislation before relying on these terms.

Please note that the information above is for educational purposes only and is subject to change without notice. As it is impossible to include all situations, circumstances and exceptions, a further review should be done by a qualified professional.

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